

ECONOMIC DEVELOPMENT



MIAMI BEACH
FLORIDA'S **24-HOUR** MARKETPLACE

ECONOMIC DEVELOPMENT | BUSINESS ASSISTANCE

ELECTED OFFICIALS

Mayor Matti Herrera Bower

City Commissioners Victor M. Diaz, Jr.
Saul Gross
Jerry Libbin
Ed Tobin
Deede Weithorn
Jonah Wolfson

ADMINISTRATION

City Manager Jorge M. Gonzalez
City Attorney Jose Smith
City Clerk Robert Parcher

BUSINESS ASSISTANCE

Economic Development & Intergovernmental Affairs

Kevin Crowder, CEcD
Office of the City Manager
305.673.7010
kcrowder@miamibeachfl.gov

Community Resource and Outreach Team

South Beach & 41st St. Lynn W. Bernstein
786.229.3972
lynnbernstein@miamibeachfl.gov

North Beach Caroline Defreze
786.229.3973
carolinedefreze@miamibeachfl.gov

Your business needs us.

And our consumers need you

BUSINESS RESOURCES

Business Assistance | Business Planning | Research | Services

Miami Beach Economic Development Office 305.673.7010
Miami Beach Community Resource & Outreach Team ... 786.229.3972,73

Technical Assistance | Advice | Business Planning

Small Business Development Center 305.261.1638
Enterprise Community Center 305.579.2730
SCORE 786.539.4194
US Customs 305.869.2804

Financial Assistance

Small Business Administration 305.536.5521
Accion USA 305.545.8205
Partners for Self-Employment 305.438.1407
Regional Planning Council Revolving Loan Fund 954.985.4416
Enterprise Zone 786.469.2115

Workforce Issues, Layoffs, Hiring, Training

Workforce Miami Beach One-Stop Career Center 305.532.5350
Florida New Hire Reporting Office 850.488.9000
Florida Dept of Financial Services - Workers Comp 850.488.2333

Building Permits, Change of Use

Miami Beach Building Department 305.673.7610
Miami Beach Fire Department 305.673.7123
Miami-Dade Dept. of Environ. Resources Mgmt (DERM) 305.372.6789

Concurrency

Miami Beach Concurrency Division 305.673.7514

Zoning, Conditional Uses, Signs, Design Review, Painting

Miami Beach Planning Department 305.673.7550

Licensing

Florida Dept. of Business & Professional Regulation 850.487.1395
Florida Division of Alcoholic Beverages & Tobacco 850.470.6787
Florida Dept. of Health 850.245.4273
Florida Dept. of Agriculture and Consumer Services 850.488.3951
Miami Beach Business Tax Receipt Office 305.673.7420
Miami-Dade County Business Tax Receipt Office 305.270.4949

Maintaining Your Business

Miami Beach Sanitation Department 305.673.7616
Miami Beach Code Compliance Division 305.673.7555
Miami Beach Film, Print, & Special Events Permits 305.673.7070
Miami Beach Transportation and ADA 305.673.7080
Miami Beach Parking Department 305.673.7275

Sidewalk Cafes

Miami Beach Public Works Department 305.673.7080

Taxes

Miami Beach Resort Tax Office 305.673.7447
Miami-Dade Property Appraiser's Office 786.331.5321
Internal Revenue Service 800.829.1040
Florida Department of Revenue 800.352.3671
Florida Department of Revenue - Unemployment 800.482.8293

Business, Community & Regional Organizations

Miami Beach Chamber of Commerce 305.674.1300
Miami Beach Latin Chamber of Commerce 305.674.1231
Greater Miami Hispanic Chamber of Commerce 305.604.9876
North Beach Development Corporation 305.865.4147
Miami Beach Community Development Corporation 305.538.0090
Greater Miami Convention & Visitors Bureau 305.539.3000
Beacon Council 305.579.1300

The City of Miami Beach is a barrier island surrounded by the Atlantic Ocean to the east and Biscayne Bay to the west. With South Beach, the Art Deco District, beautiful beaches, vibrant nightlife, cultural arts assets, and quality residential community, Miami Beach is the engine that powers the economy of South Florida. The successful redevelopment and revitalization of Miami Beach during the last two decades has served as a key catalyst for the further revitalization of neighborhoods and commercial districts throughout the region.

LOCAL ECONOMIC GROWTH

Overall, the economy of the City remained stable, with an estimated Gross City Product of \$7.2 billion in 2008, a slight increase from \$7.03 billion in 2007, although the first two quarters of the year were stronger than the third and fourth quarters. Bank deposits remained steady, at \$3.622 billion in July 2008. During the period from 2002-2008, not only was there significant job creation which increased 16.6% from 36,432 to 42,482, but the City's Prosperity Index, which is wage growth compared to job growth, was also positive with an increase of 45.6% in the average wage, from \$27,830 to \$40,521 during the same period (7.6% annualized). Although the unemployment rate rose during the second half of 2008, it finished 2008 at a level (4.56% for the 4th quarter) well below comparable geographies, (6.2% for the Metropolitan Statistical Area, and 7.4% for the State of Florida).

In recent years, the City has grown more than only its traditional tourism based economy to become a multifaceted industrial center and regional leader for the location of Information, Health Care, and Arts & Culture industries. In 2008, the world's most prestigious art fair, based in Basel, Switzerland, held its seventh Miami Beach exhibition. Additionally, the City and the New World Symphony have entered into a partnership through which the Symphony is constructing a new, state-of-the-art performance and recording facility on City-owned property immediately north of Lincoln Road. This facility will be a technological wonder designed by celebrity architect Frank Gehry and the first of its kind in the world.

TOURISM

Tourism is the largest sector of the City's economy with over \$1.6 billion in direct annual visitor spending on hotel, food, and beverage, and also a large portion of the City's \$900 million retail marketplace. This past year, the City's hotels hosted almost 5 million visitors, and almost 8 million tourists visited South Beach and the Art Deco Historic District. Additionally, the City remains a regional resource, with approximately 7-9 million day-trips by residents of the surrounding area, making the City one of the most popular attractions in Florida. Hotel room sales finished 2008 at \$787.5 million, up from \$775 million in 2007. January 2009 room sales were up 2.5% over January 2008, and 2008 hotel room occupancy remained steady at 72.16%. The inventory of hotel rooms increased significantly, from 13,506 at the beginning of 2008, to 15,998 in January 2009, providing the City with additional resources and product to attract visitors. Miami Beach is also South Florida's urban retail center, with The District on Collins Avenue, as well as Lincoln Road, which is one of the country's most important retail streets for both commerce and brand visibility.

ENTERTAINMENT

Although impacted by global industrial factors well beyond the City's control, the entertainment industry continues as an important part of the City's economy. The City remains a key location for the production of movies, fashion campaigns, and TV series such as 'Burn Notice', and many international talent and model agencies have retained operations in the City. The corporate segment of the industry considers the City to be an important entertainment industry hub, evidenced by the location of branches of companies such as the William Morris Agency. The City continues to grow as a destination for major events. In addition to Art Basel Miami Beach, the South Beach Food and Wine Festival, the South Beach Comedy Festival, the Miami Beach International Boat Show, and the Winter Music Conference continue to provide a strong base that supplements the leisure, convention and trade show segments.

REAL ESTATE

The City remains a leader in the real estate industry, as the median price of homes and condominiums stabilized in 2007 and through 2008, although volume declined from the record, but unsustainable 2004-2006 levels. In contrast to other parts of South Florida, growth management initiatives in the late 1990's limited the supply of new condominiums, somewhat reducing the exposure of excess new residential inventory that is being experienced in other South Florida neighborhoods. Furthermore, the end of 2008 saw the beginning of a decline in the number of condominium units for sale, from over 4,000 in early 2008, to 3,700 in December. The average number of days that units were on the market also declined, from 172 in January 2008, to 130 in December 2008.

CONSTRUCTION AND INVESTMENT

Construction activity continued at significant levels during 2008, culminating with the completion of approximately \$1 billion in investment at the Fontainebleau and Eden Roc resort hotels. Retail tenants continue to open locations and expand in the City, joining established operations such as Armani Exchange, Kenneth Cole, Office Depot, Diesel, and Nicole Miller. New Lincoln Road retailers include Guess and Morgan Miller Shoes. The City recently entered into an agreement for the development of parking and retail in the Sunset Harbor neighborhood, and construction of Fifth and Alton, a vertical retail center with 180,000 square feet of retail space and 1,100 parking spaces is near completion, with tenants such as Publix, Best Buy, and Staples. The 2 million square foot Miami Beach office market is anchored by corporate tenants such as LNR Property Corporation, Benneton and Terranova, and has a vacancy rate of 7.1% (2009, CBRE).

Economic Development and Business Assistance

Economic Development and Business Assistance in Miami Beach is coordinated by the Office of the City Manager, in partnership with the Community Resource and Outreach Team. The Office of the City Manager is the City's primary contact for new and existing businesses and investors, focused on identifying and meeting the various needs of local businesses. 305.673.7010.

Market Research

The Office maintains a database of key economic indicators and market research, including local business inventories and densities, real estate sales, private capital investment; resident and visitor demographics; visitor behavior and spending patterns; hotel occupancy and rates; employment and unemployment; and food, alcohol and hotel room sales activity. In some cases, information is not only available for the City, but also by neighborhood and business district.

Confidentiality of Intentions to Relocate or Expand

Pursuant to Florida Statutes, upon written request from a business, the records of an Economic Development Agency that are related to the intentions of a business to relocate to or expand in Florida are confidential and exempt from public records for a pre-determined period of time.

Driver License

Florida law requires that a Florida driver's license be obtained within 30 days of establishing permanent residency in the State. A new license must also be obtained within 10 days of a name or address change.

www.hsmv.state.fl.us 305.229.6333

Vehicle and Vessel Registration

A motor vehicle must be registered with the State of Florida within 10 days of the owner becoming employed, placing children in public school, or establishing permanent residency. Proof of liability insurance must be provided.

Motor boats operated in Florida waters must be registered with the State within 30 days of purchase. Fees are based on the length of the vessel.

www.hsmv.state.fl.us 305.375.5678 or 305.375.3591

Electricity

Florida Power and Light provides electrical power to the City of Miami Beach.

www.fpl.com 305.442.8770

Cable Television

Atlantic Broadband.

www.atlanticbroadband.com 888.752.7222

Water

The City of Miami Beach provides water service.

www.miamibeachfl.gov 305.673.7440

School Registration

All children ages six to 16 are required to attend school. Contact Miami-Dade Public Schools. Parents should enroll school-age children as soon as they arrive in the City of Miami Beach. For initial entry into Miami-Dade County Public Schools, all students have the option of registering: (1) at a school on the basis of the actual residence of the parent or legal guardian in the attendance area of the school as approved by the Board, or (2) at a New Student Reception Center.

www.dadeschools.net

305.995.1334

Homestead Exemption

Property owners are provided with a tax exemption of up to \$50,000 of the assessed value of their permanent residence. There are additional exemptions for the disabled, widows, and low-income seniors. The application for the exemption must be filed with Miami-Dade County by March 1 of the tax year.

www.miamidade.gov/pa/exemptions.asp 305.468.5900

Voter Registration

If you are a new Florida resident, you must register in order to be able to vote in Florida. If you moved to Miami Beach from another State of Florida jurisdiction, you must transfer your voter registration to Miami-Dade County. Both tasks may be accomplished at the Miami-Dade County Office of Elections, Stephen P. Clark Center, 111 N.W. 1st St., 19th Floor, Miami, FL, 33128. You must register at least 29 days before an election.

Miami-Dade County Telephone: 305.375.5553

State of Florida Telephone: 850.245.6240

<http://elections.miamidade.gov>

Parking Information

The City of Miami Beach Parking Department handles street and lot parking throughout the City. Through metered lots, on-street parking, residential permit programs and other innovative methods, the Parking Department strives to reduce traffic congestion on city streets - as well as to provide residents and visitors alike with the convenience of nearby access to their vehicles. If you have any questions, please call the parking hotline at 305.673.PARK

Neighborhood Improvements

The Capital Improvement Projects (CIP) Office is a consolidation of the City's capital construction efforts into a single entity to comprehensively address the ambitious goals set forth in the General Obligation Bond program, the Water and Wastewater Bond program, and the Stormwater Bond program to improve the City's infrastructure, public facilities, parks, beaches, golf courses and public safety equipment.

www.cmbprojects.com

OPENING A BUSINESS

All business owners are required to obtain both a City of Miami Beach Certificate of Use and a Business Tax Receipt (formerly known as an Occupational License) to operate a business within the City. Operating a business without a Business Tax Receipt is prohibited. For more information, call the Finance Department's Business Tax Office at 305.673.7420. A Miami-Dade County Business Tax Receipt (305.270.4949) must also be obtained.

A Certificate of Use (C.U.) is a pre-requisite to the issuance of a City of Miami Beach Business Tax Receipt. The C.U. fee must be submitted at the time of application and each year thereafter by May 31. Inspections by the Building Department, Fire Department, Planning Department, and others, must occur following the submission of an application. Application must be either made on-line at www.miamibeachfl.gov or in person at City Hall, Business Tax Office, 1700 Convention Center Drive, first floor.

SOLE PROPRIETORSHIPS, PARTNERSHIPS AND CORPORATIONS

Your first decision as a business owner is to determine the legal structure of your business. Your choice determines what kind of taxes the business must pay, who's liable and what forms are necessary. There are four main choices: Sole Proprietorship, Partnership, Corporation or Limited Liability Company. In a sole proprietorship, the owner has absolute authority over all business decisions. In a partnership, two or more partners share control of the business. Contact the Florida Department of State for more information at 850.488.9000 or visit them online at www.sunbiz.org. If you are forming an S corporation, you must also file with the Internal Revenue Service.

STATE AND FEDERAL TRADEMARKS

A trademark or service mark may be registered with the Florida Division of Corporations for use and protection only in the state of Florida. For protection of your trademark in the entire U.S., including Florida, you must register it with the U.S. Patent and Trademark Office. For information about registering in Florida, call 850-245-6051 or check the Division of Corporation's website at www.sunbiz.org. For information regarding federal registration, contact the U.S. Patent and Trademark Office, 800.786.9199 or visit them online at www.uspto.gov.

USEFUL START UP INFORMATION

The Small Business Administration's small business guide (<http://www.sba.gov/smallbusinessplanner/index.html>) is intended to serve as a roadmap for starting a business. It is both comprehensive and easy to use. It also includes numerous electronic links for additional information. Use this powerful interactive tool, with many supporting resources to help you start a successful business.

INTERNATIONAL BUSINESS

The Immigration and Nationality Act provides non-immigrant visa status for a national of a country with which the United States maintains a treaty of commerce and navigation who is coming to the United States to carry on substantial trade or to develop and direct to operations of an enterprise in which the national has invested, or is in the process of investing a substantial amount of capital. For more information visit http://travel.state.gov/visa/temp/types/types_1273.html. Some requirements for **Treaty Traders and Investors** are:

The trader applicant and trading firm or investor, either a real or corporate person, must be a national of a treaty country.

The international trade must be "substantial" in the sense that there is a sizable and continuing volume of trade. The investment must be substantial. It must be sufficient to ensure the successful operation of the enterprise. The percentage of investment for a low-cost business enterprise must be higher than the percentage of investment in a high-cost enterprise.

The investment must be a real operating enterprise. Speculative or idle investment does not qualify. Uncommitted funds in a bank account or similar security are not considered an investment. The investment may not be marginal. It must generate significantly more income than just to provide a living to the investor and family, or it must have a significant economic impact in the United States. The investor must have control of the funds, and the investment must be at risk in the commercial sense. Loans secured with the assets of the investment enterprise are not allowed.

The trader applicant must be employed in a supervisory or executive capacity, or possess highly specialized skills essential to the efficient operation of the firm. The investor must be coming to the U.S. to develop and direct the enterprise. If the applicant is not the principal investor, he or she must be employed in a supervisory, executive, or highly specialized skill capacity. Ordinary skilled and unskilled workers do not qualify.

The United States Department of Commerce, **Export Assistance Center** provides exporters with trade leads and market research regarding the best potential overseas markets for their products. 200 East Las Olas Boulevard, Suite 1600, Ft. Lauderdale. www.export.gov 954.356.6640

The U.S. Customs Service, Miami District provided information on the amount of duty required on **imported products**. Customs also clears imports and collects required tariffs. 6601 NW 25th Street. www.dhs.gov 305.869.2800

The Small Business Administration guarantees up to \$1.2 million in loans, and up to \$750,000 for revolving lines of credit for qualified **exporters**. The SBA also cosponsors matchmakers and provides training and counseling in international trade, as well as supplying marketing information through the Export Information Service. www.sba.gov 305.536.5521

The Bureau of Citizenship and **Immigration** Services provides information on immigration laws and employee regulations, as well as enforcement and changes in visa status. www.uscis.gov 1.800.375.5283

TECHNICAL ASSISTANCE

The **Small Business Administration's** website (www.sba.gov) provides a great deal of information and assistance to new and existing businesses, including many short, free on-line seminars and classes. All businesses are urged to spend time on the SBA website and see what it has to offer.

Small Business Development Centers offer locations throughout Florida to provide small business entrepreneurs with FREE counseling, management training, and information for prospering in the global economy. If you need to contact a certified business analyst to provide you with financial assistance or industry-specific counseling, please visit www.fsbdc.com or call 305.261.1638.

Counseling and educational programs are also available through **Miami Dade County's Enterprise Community Center** (<http://www.miamidade.gov/ced/ECC.asp>). The Enterprise Community Center serves as a one-stop capital shop, offering a full array of technical assistance, seminars, counseling and financial services to businesses and entrepreneurs throughout Miami-Dade County. The ECC houses public lenders, banks, and local development agencies, as well as a Small Business Resource Center Library offering state-of-the-art information.

3050 Biscayne Boulevard, Suite 201 | 305.579.2730

Counselors to America's Small Business, **SCORE** is a non-profit association that provides small business entrepreneurs with FREE counseling (either in person or via email). If you are ready to ask questions about starting or expanding a small business, please visit SCORE (<http://www.score.org/findscore/>) and make a counseling appointment today. 786.539.4194.

SBA's network of more than 60 **Women's Business Centers** (<http://www.onlinewbc.gov>) provide a wide range of services to women entrepreneurs at all levels of business development.

WORKFORCE DEVELOPMENT

The South Florida Workforce Investment Board, and the **Miami Beach One-Stop Career Center** managed by UNIDAD of Miami Beach provides employers and job seekers with professional services at no cost. Contact 305.532.5350 for more information.

The State of Florida offers **Quick Response Training Incentives**, which are customized, flexible and responsive to individual company needs. Additionally, the **Incumbent Worker Training Program** provides training to currently employed workers to keep Florida's workforce competitive and to retain existing businesses. The program is available to businesses that have been in operation for at least one year prior to application.

South Florida Commuter Services (www.1800234ride.com) offers several programs to assist employers and employees with transportation.

GRANTS

The **Mom and Pop Small Business Grant Program** periodically provides financial and technical assistance to qualified for profit small businesses. www.miamidade.gov 305.756.0605

LOAN PROGRAMS

The **Micro Enterprise Assistance & Peer Lending Program** assists entrepreneurs in building a strong credit history by borrowing incremental amounts of loan funds, develop stronger business skills, share business ideas, and provide support in a peer group setting. The program also provides direct loans up to \$25,000.

www.miamidade.gov 786.469.2115

www.partnersforselfemployment.com 305.438.1407

www.accionusa.org 305.545.8205

The South Florida Regional Planning Council offers a **Revolving Loan Fund** that is available to existing businesses looking to expand or relocate their business, create and/or retain jobs. Loan amounts range from \$50,000-\$300,000. The business must attempt to secure private financing and be declined in order to qualify. www.sfrpc.com 954.985.4416

Contact the Miami **Small Business Administration** office for information on their loan programs, which include Basic 7(a) Business Loan, Micro-Loans, and the CDC/504 Program.

www.sba.gov/fl/south 305.536.5521

The **Basic 7(a) Business Loan Program**: All 7(a) loans are provided by lenders who are called participants because they participate with SBA in the 7(a) program. 7(a) loans are only available on a guarantee basis. This means they are provided by lenders who choose to structure their own loans by SBA's requirements and who apply and receive a guarantee from SBA on a portion of this loan. The SBA does not fully guarantee 7(a) loans. For more information, visit <http://www.sba.gov/financing/sbaloan/7a.html>.

The **Micro-Loan Program**: The Micro-Loan Program provides very small loans to startup, newly established, or growing small business concerns. Under this program, SBA makes funds available to nonprofit community based lenders (intermediaries) which, in turn, make loans to eligible borrowers in amounts up to a maximum of \$35,000. For more information, visit <http://www.sba.gov/financing/sbaloan/microloans.html>.

CDC/504 Loan Program: The 504 Program provides growing businesses with long-term, fixed-rate financing for major fixed assets, such as land and buildings. A Certified Development Company is a nonprofit corporation set up to contribute to the economic development of its community. CDCs work with the SBA and private-sector lenders to provide financing to small businesses.

ENTERPRISE ZONE BENEFITS

An **Enterprise Zone** is a specific geographic area targeted for economic revitalization. Enterprise Zones encourage economic growth and investment in distressed areas by offering tax advantages and incentives to businesses locating within the zone boundaries. www.floridaenterprisezone.com 786.469.2115

Jobs Tax Credit (Sales Tax):

Allows a business located within an Urban Enterprise Zone to take a sales and use tax credit for 20 or 30 percent of wages paid to new employees who reside within an enterprise zone. To be eligible, a business must create at least one new job. The Sales Tax Credit cannot be used in conjunction with the Corporate Tax Jobs Credit.

Jobs Tax Credit (Corporate Income Tax):

Allows a business located within an Urban Enterprise Zone to take a corporate income tax credit for 15 or 20 percent of wages paid to new employees who reside within an enterprise zone. The Corporate Tax Credit cannot be used in conjunction with the Sales Tax Credit.

Business Equipment Sales Tax Refund:

A refund is available for sales taxes paid on the purchase of certain business property, which is used exclusively in an Enterprise Zone for at least 3 years.

Building Materials Sales Tax Refund:

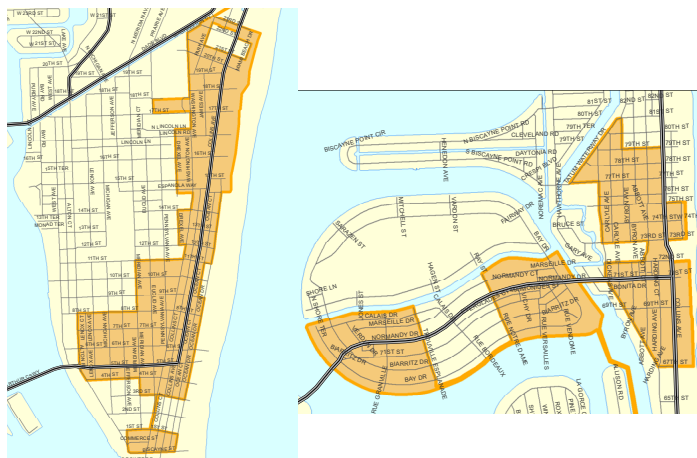
A refund is available for sales taxes paid on the purchase of building materials used to rehabilitate real property located in an Enterprise Zone.

Property Tax Credit (Corporate Income Tax):

New or expanded businesses located within an Enterprise Zone are allowed a credit against Florida corporate income tax up to 96% of ad valorem taxes paid on the new or improved property.

Community Contribution Tax Credit Program:

Allows businesses a 50% credit on Florida corporate income tax, insurance premium tax, or sales tax refund for donations made to local community development projects. Businesses are not required to be located in an Enterprise Zone to be eligible for this credit.



MIAMI BEACH

FLORIDA'S 24-HOUR MARKETPLACE

ECONOMIC DEVELOPMENT

CANDO OVERLAY ZONING INCENTIVE

The purpose of this overlay district is to provide land-use incentives to property owners, developers and commercial businesses to create affordable housing for cultural workers; to encourage arts-related businesses to locate within the district; and to create mandatory requirements for new construction and the rehabilitation of housing units, focusing on expanding cultural opportunities.

In the Cultural Arts Neighborhood District Overlay (CANDO)

Where allowed by the underlying zoning district regulations, 50% of mixed-use Floor Area Ratio (FAR) increases shall be set aside for **affordable housing for cultural arts workers**;

Existing units that are being rehabilitated, where the cost of construction would require compliance with the minimum 400 square foot unit size, and the 550 minimum average unit size, shall be **exempt from meeting the average unit size requirement** if 25% of the units are reserved for affordable housing for cultural arts workers;

New construction of mixed-use projects, where the underlying zoning regulations provide for an allowable increase in FAR, shall be **exempt from meeting the average unit size** of 800 square feet if 50% of such allowable FAR increase is reserved for affordable housing for cultural workers;

New construction of "Live-Work" projects in the CD-2 zoning district shall meet the residential **parking requirements** for zoning purposes if at least 25% of the "live-work" units are reserved for affordable housing units for cultural workers.

In order to qualify for these exceptions, the following mandatory criteria must be met:

At the time of development review, the property owner shall submit a statement of intent to construct affordable housing for cultural arts workers.

The owner of the property shall execute and record in the public records of Miami-Dade County a covenant running with the land restricting the use of property for affordable housing for cultural arts workers for a period of no less than 30 years, prior to the issuance of a building permit;

Should the property change use during the covenant period, the property shall comply with all applicable development regulations existing at the time of the proposed change;

If, after a two-year period, units set aside for cultural workers have not been rented or sold, they shall be reserved for other income-eligible population.

TAX ADVANTAGES

There is no local income tax in Miami Beach. Additionally, Florida has many tax advantages for businesses:

*No corporate income tax on limited partnerships;
No state personal income tax, constitutionally guaranteed;
No corporate franchise tax on capital stock;
No state-level property tax;
No property tax on business inventories;
No property tax on goods in transit for up to 180 days;
No sales and use tax on goods manufactured for export;
No sales tax on purchases of raw materials incorporated in a final product for resale;
No sales and use tax on boiler fuels;
No sales and use tax on co-generation of electricity.*

TAX EXEMPTIONS

Florida offers Sales and Use Tax Exemptions on a number of items; visit www.eflorida.com for more information. Exemptions include:

*Purchases of machinery and equipment to manufacture, produce, or process tangible personal property for sale;
Electricity used in the manufacturing process;
Labor component of research and development expenditures;
Production companies engaged in Florida for the production of motion pictures, made for TV movies, television series, commercial advertisements, music videos or sound recordings.*

TAX AND INCENTIVE PROGRAMS

Miami-Dade County offers the **Urban Job Tax Credit Program**, which provides up to \$1,000 per job for new businesses with a minimum of 20 new jobs and for existing businesses with a minimum of 10 new jobs.

The State of Florida offers a **Capital Investment Tax Credit** to eligible projects in designated high-impact portions of the following sectors: *biomedical technology, financial services, information technology, silicon technology, and transportation equipment manufacturing*. Projects must create a minimum of 100 jobs and invest at least \$25 million in eligible capital costs. The program provides an annual credit for up to twenty years against the corporate income tax.

The **High Impact Performance Incentive Grant** is a negotiated grant used to attract and grow major high impact facilities in Florida. Grants are provided to pre-approved applicants in certain high impact sectors designated by the Governor's Office of Tourism, Trade and Economic Development. In order to participate in the program, the project must create at least 100 new full-time equivalent jobs in a three-year period; and make a cumulative investment of at least \$100 million.

The Capital Investment Tax Credit and the High Impact Performance Grant are available to the high impact portions of the following sectors:

*Biomedical Technology Financial Services
Silicon Technology Transportation Equipment Mfg*

The State of Florida's **Qualified Target Industry Tax Refund Program (QTI)** encourages quality job growth in targeted high value-added businesses. The program provides an incentive for target industries to locate new facilities in Florida or to expand existing facilities. The program provides tax refunds of \$3,000 per new job created. This is increased to \$6,000 per job if the company locates in and Enterprise Zone. Higher award amounts are available to companies paying very high wages. To qualify, a company must create at least 10 new jobs, pay an average of at least 115 percent of area wages, have a significant positive impact on the community, and have local support.

Only businesses serving multi-state and/or international markets are targeted. Business must be able to locate in other states. Retail activities, utilities, mining, and other extraction or processing businesses, and activities regulated by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation are statutorily excluded from consideration.

*Information Industries
Sound Recording Industries
Film Video & Electronic Media
Customer Care Centers
Publishing Industries
Telecommunications
Credit Bureaus
Management Services
Securities, Commodity Contracts
Finance and Insurance Services
Manufacturing Facilities, includes Chemical & Pharmaceutical
Computer and Electronic Product/Component Manufacturing
Surgical and Medical Instrument Manufacturing
Food and Beverage Products Manufacturing
Printing and Related Support Activities
National, International and Regional Headquarters
Offices of Bank Holding Companies
Professional, Scientific & Technical Services
Information Services & Data Processing
Administrative and Support Centers
Non-depository Credit Institutions
Credit Intermediation & Related Activities*

Targeted Jobs Incentive Fund (TJIF) is patterned after the QTI program. The program provides tax refunds to expanding or relocating companies that create full-time equivalent jobs. Under this program, Miami-Dade County may provide the company with a refund of up to 100 percent of the incremental Countywide Ad Valorem Property taxes generated by the company's location or expansion in excess of \$3 million in capital investment.

To qualify, an applicant must be one of the targeted industries of the State of Florida QTI Program. In addition, One Community One Goal target industries are also eligible, which include:

*Instruments Sound Recording
Research and Development Printing and Publishing
Life Sciences Visitor and Tourism
International Commerce Film and Entertainment*

FEDERAL HISTORIC PRESERVATION INCENTIVES

The **20% Rehabilitation Federal Income Tax Credit** is available for rehabilitation of income producing structures for commercial, industrial, agricultural or rental residential purposes, including rental single family homes and apartment buildings. Tax credits provide a dollar-for-dollar reduction of income tax owed. The 20% rehabilitation tax credit equals 20% of the amount spent in the rehabilitation of a certified historic building. The goal of the rehabilitation credit is to put the building back to use so that it is functional and meets current housing, retail, commercial, or industrial needs.

All elements of a rehabilitation project must meet the Secretary of the Interior's Standards for Rehabilitation. They must also meet basic tax requirements of the Internal Revenue Code. The tax credit must be claimed on the appropriate IRS form for the tax year in which the rehabilitated building is placed in service.

Preservation Easements allow for federal income tax deductions for charitable contributions of partial interests in historic properties. A preservation easement is a voluntary legal agreement between a property owner (the grantor) and a government agency or preservation organization (grantee). The easement protects a significant historic, archeological, or cultural resource in perpetuity for the benefit of future generations.

The easement can be unique to each property and may incorporate many elements. Protected features may include the façade, the interior, the grounds, view sheds, air rights, etc. The façade easement is the most practical and common type of donation. The terms of agreement are reached by mutual consent between the property owner and the easement-holding organization.

An easement allows the donor to retain private ownership and use of a property and, if certain criteria are met, claim a Federal income tax deduction equivalent to the value of the donated rights. Permanent preservation conditions must be agreed upon and abided by for an owner to claim the tax deduction. In addition, the public must have some visual access to the donated property. The easement is binding on the owner who grants it as well as on all subsequent owners. The owner can sell or will the property to whomever he or she wishes.

Details about the 20% Tax Credit or Preservation Easements can be obtained from the National Park Service and the Internal Revenue Service, www.nps.gov / 202.354.2055; or the State Historic Preservation Officer, 850.245.6300.

LOCAL HISTORIC PRESERVATION INCENTIVES

In addition to the Enterprise Zone, improvements to historic properties may qualify for the **Miami-Dade County Historic Preservation incentive**, which provides a 10-year abatement of property taxes on the improvements.

Miami Dade County offers the ad valorem property tax exemption, which exempts 100% of the assessed value of all qualified improvements to historic properties for a period of 10 years. This exemption applies to county property taxes only, not city property taxes. Miami Dade County's legislation works by "freezing" the taxable value at the rate they were assessed before improvements are made. In other words, the incremental value added by the authorized improvements is not added to the assessment.

To claim this benefit a property owner must file an application to the Miami Beach Historic Preservation Board, which transmits the application with its recommendation to the Miami-Dade County's Office of Historic Preservation for further processing. Once approved the property owner enters into a covenant with the County Commission relative to the maintenance and protection of the property for a ten-year period beginning on January 1 after improvements are completed. Many historic properties in South Beach have received this benefit. For further information contact Miami-Dade County Office of Historic Preservation.

www.miami-dade.gov/hp/

305.375.3471

Owners of historic buildings may also be eligible for an **alternative method of assessment** by the Miami-Dade County Property Appraiser. This alternative method allows the property to be assessed based on the actual use rather than highest and best use, which may have an effect in lowering property taxes. To be eligible the property must be officially designated as historic either by local ordinance or listing on the National Register of Historic Places. It also must be commercial in nature (apartment buildings are not included) and be open to the public at least 40 hours per week for 45 weeks per year or the equivalent of 1,800 hours per year. The benefit applies only to the Miami-Dade County portion of the tax bill.

To claim this benefit, property owners of qualifying properties must file an application with the Miami-Dade County Department of Property Appraisal by March 1 of each year. To find out if your property qualifies, contact the Property Appraisers Office.

www.miami-dade.gov/pa/

305.375.3829

Please contact the City of Miami Beach Economic Development Office at 305.673.7010 or email business@miamibeachfl.gov for more information on opening a business in Miami Beach.

Economic Indicators

2007	<u>Residents</u>	<u>Gross City Product</u>	<u>Tourism</u>	<u>Median Condo Price</u>
Population:	86,916	\$7,026,200,322	Overnight Visitors: 4,908,000	Citywide: \$348,450
Pop Density:	12,417	<u>Business</u>	South Beach Visitors: 6,396,000	South Beach: \$350,000
Seasonal:	20,399	Businesses: 3,573	Lincoln Road Tourist: 3,312,000	Middle Beach: \$386,000
Households:	46,994	Total Jobs: 43,189	Beachgoers: 17,170,503	North Beach: \$252,900
HH Density:	6,713	Avg Wage: \$38,979	<u>Hotels</u>	
<u>Housing Units</u>		Productivity: \$162,685	Hotel Rooms: 13,564	<u>Median Single Family Price</u>
Single Family Homes:	5,556	Labor cost: 24.0%	Hotel Occupancy: 72.17%	Citywide: \$1,150,000
Condominiums:	40,825	<u>Office Market</u>	Average Room Rate: \$158.81	South Beach: \$1,600,000
Rental Apartments:	19,202	Office Sq Ft: 1,951,629	Room Sales: \$775,459,770	Middle Beach: \$1,144,750
<u>Labor Force</u>		Office Vacancy: 6.4%	Annual RevPAR: \$57,170	North Beach: \$1,133,000
Labor Force:	49,607	<u>Health Care</u>	<u>Restaurant/Bar Sales</u>	
Employed:	48,164	\$811,654,778	Alcohol: \$347,280,773	<u>Citywide Property Value</u>
Unemployed:	1,443	<u>Bank Deposits</u> <u>GCP Ratio</u>	Food: \$553,598,973	\$26,850,061,000
UE Rate:	2.91%	\$3,625,009,000 52%	<u>Retail Trade</u> \$852,732,892	

Miami Beach Gross City Product

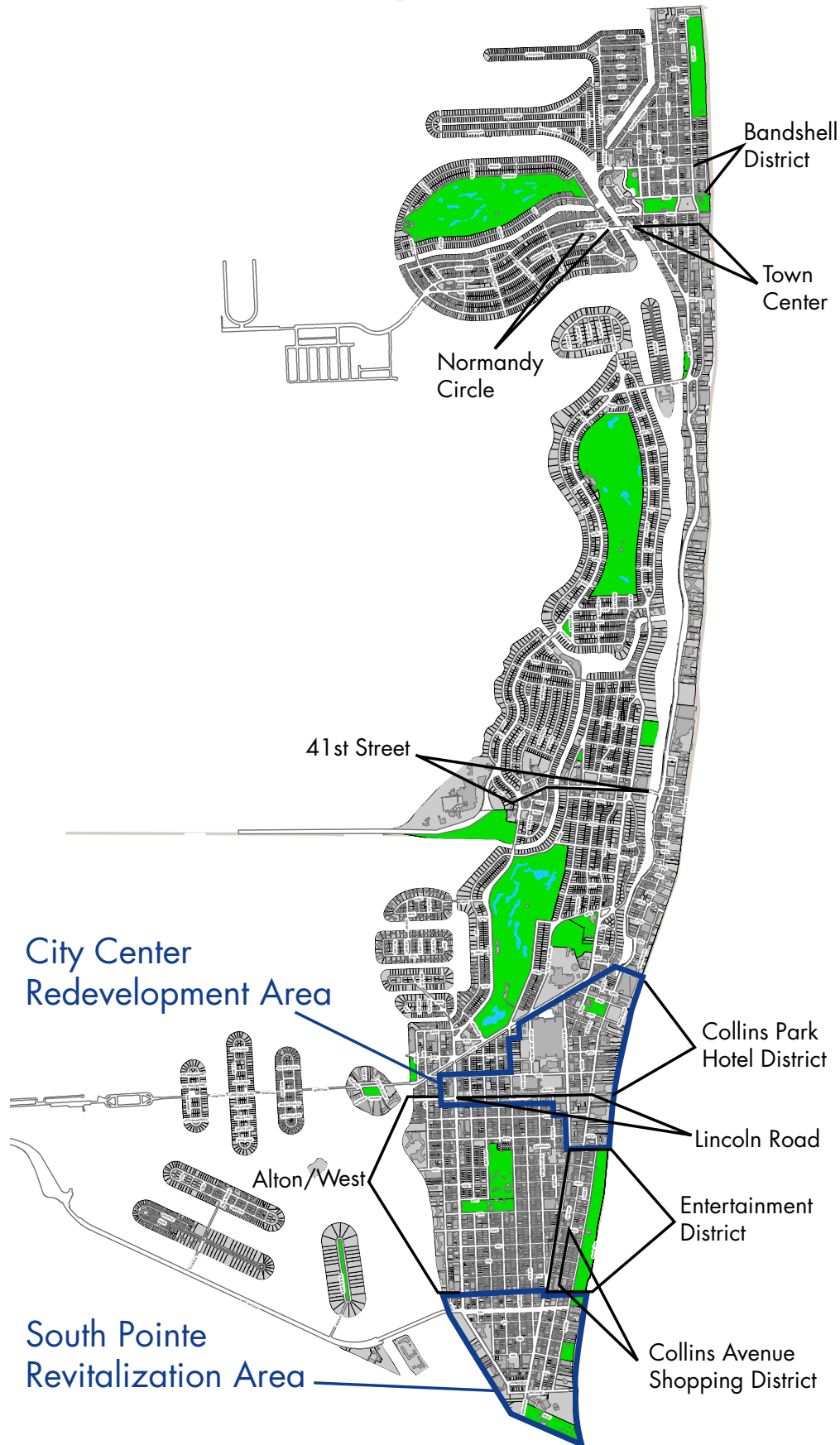
	Establishments	Total Revenue	Total Payroll	Labor Cost	Employees	Wage	Output
2008							
Accommodation and Food Services	474	\$1,684,567,848	\$516,532,072	30.7%	16,427	\$31,445	\$102,551
Arts, Entertainment, and Recreation	99	\$123,359,513	\$36,506,806	29.6%	1,119	\$32,625	\$110,243
Construction	119	\$791,145,654	\$23,206,699	2.9%	622	\$37,325	\$1,272,461
Educational Services	34	\$38,674,979	\$16,004,136	41.4%	381	\$42,017	\$101,536
Finance and Insurance	173	\$272,170,547	\$47,988,664	17.6%	752	\$63,801	\$361,853
Health Care and Social Assistance	357	\$926,166,163	\$358,781,638	38.7%	7,422	\$48,338	\$124,780
Information	96	\$382,239,070	\$93,949,832	24.6%	1,313	\$71,566	\$291,168
Manufacturing	28	\$16,602,432	\$3,452,613	20.8%	86	\$40,134	\$192,993
Other Services	433	\$194,546,467	\$51,499,997	26.5%	2,181	\$23,618	\$89,219
Professional and Business Services	717	\$316,164,134	\$190,450,068	60.2%	3,163	\$60,207	\$99,949
Public Administration	12	\$424,652,255	\$158,756,679	37.4%	2,321	\$68,411	\$182,990
Real Estate, Rental, and Leasing	386	\$334,396,373	\$44,477,145	13.3%	1,354	\$32,846	\$246,950
Retail Trade	444	\$959,691,591	\$123,312,983	12.8%	4,556	\$27,065	\$210,639
Transportation, Warehousing, and Utilities	30	\$18,244,850	\$4,348,015	23.8%	125	\$34,674	\$145,497
Unclassified	20	\$7,683,478	\$1,831,085	23.8%	31	\$58,364	\$244,902
Wholesale Trade	202	\$732,944,180	\$50,307,621	6.9%	629	\$79,963	\$1,165,001
2008 Annual Total	3,622	\$7,223,249,532	\$1,721,406,054	23.8%	42,482	\$40,521	\$170,030

Miami Beach Average Daily Population

Year	Permanent Population	Seasonal Population	Leave Miami Beach for Work	Non-Resident Workers	Hotel Guests	South Beach Daily Tourists	Other Visitors	Total Average Daily Population
2002	86,651	14,616	26,426	21,533	20,779	9,559	9,318	136,032
2003	86,010	14,616	26,769	22,268	22,350	7,236	10,819	136,530
2004	85,368	15,924	27,485	24,083	22,922	7,735	11,010	139,557
2005	84,086	15,924	29,438	24,055	22,700	8,675	15,034	141,036
2006	84,880	20,399	26,704	23,855	19,422	7,437	16,331	145,620
2007	86,916	20,399	28,763	23,789	19,578	4,077	29,519	155,515
2008	85,536	20,927			20,742			

Source: Estimates by the Miami Beach Economic Development Department based on data provided by the US Census Bureau, the Greater Miami Convention and Visitors Bureau, and the Florida Agency for Workforce Innovation.

MIAMIBEACH



North Beach

63rd Street to
87th Terrace

Middle Beach

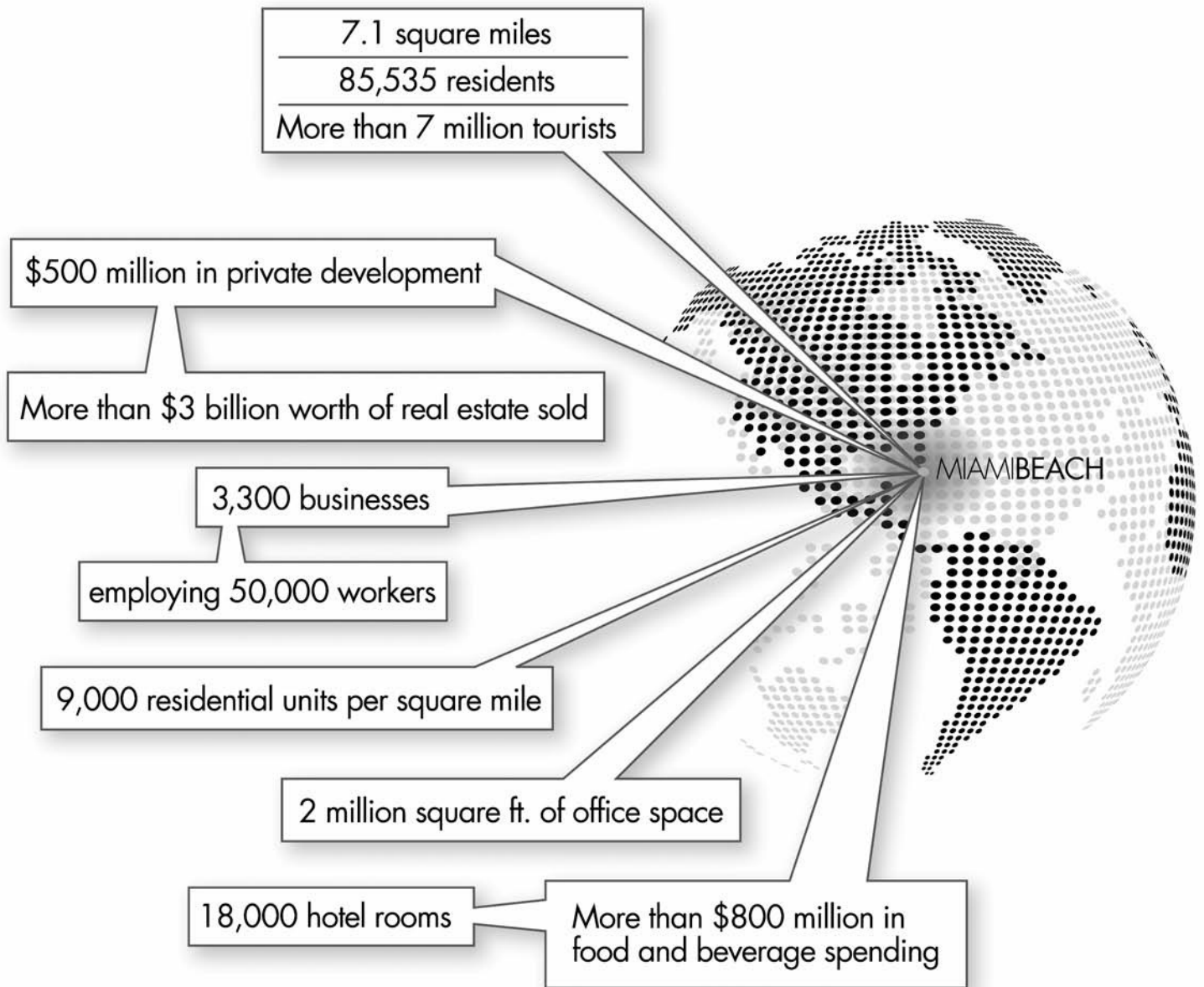
Dade Boulevard to
63rd Street

South Beach

Government Cut to
Dade Boulevard

Your business needs us.

And our consumers need you.



MIAMIBEACH
FLORIDA'S 24-HOUR MARKETPLACE
ECONOMIC DEVELOPMENT

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305.673.7010 | WWW.MIAMIBEACHFL.GOV